

HOUSE BILL 1652  
By DeBerry L

AN ACT to amend Tennessee Code Annotated, Title 45 and Title 47, relative to certain lending practices.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 47-14-108, is amended by adding the following language as a new, appropriately designated subsection:

(c) Notwithstanding any other provision of law, rule or regulation to the contrary, if a prepayment penalty is included in a loan of one hundred thousand dollars (\$100,000) or less for home improvements to an owner-occupied residence where such residence is the collateral for the loan, such prepayment penalty shall not extend beyond the first twenty-four (24) months after the date of consummation of the loan.

SECTION 2. This act shall take effect upon becoming a law, the public welfare requiring it and shall apply to all such loans entered into or consummated on or after the effective date of this act.